



United States Department of the Interior

BUREAU OF LAND MANAGEMENT HOUSE RANGE RESOURCE AREA

15 East 500 North
P.O. Box 778
Fillmore, Utah 84631

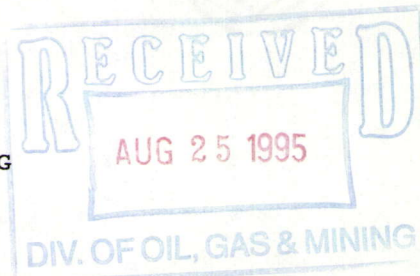
Orig W. Hedley
cc J. Carter
JB
8/28/95
m 10/27/07
TAKE PRIDE IN AMERICA

IN REPLY REFER TO:

3800
(U-054)
UTU-063447

August 23, 1995

LOWELL BRAXTON
ASSOCIATE DIRECTOR MINING
UTAH DIVISION OF OIL GAS AND MINING
355 WEST NORTH TEMPLE
SALT LAKE CITY UT 84180-1203



Dear Mr. Braxton:

The Bureau of Land Management (BLM) has received your recent letter to Western States Minerals Corporation (WSMC), dated August 15, 1995. Apparently, WSMC would like the Division of Oil, Gas and Mining (DOGM) to take enforcement action against Jumbo Mining Company (JMC) to post the balance of the reclamation surety for the Drum Mine site. This action would allow the DOGM and the BLM to jointly release WSMC's \$264,080 surety bond for the Drum Mine.

The BLM has not received any correspondence lately from WSMC and we thank you for reminding them of our concern regarding final remediation of the property. We acknowledge appropriate steps have been taken by the DOGM to facilitate finalizing the permit transfer of the Drum Mine from WSMC to JMC. This situation does not appear to warrant additional agency intervention, as the companies seem willing to resolve outstanding issues. Given the history of permitting at Drum Mine, both parties need to demonstrate good faith and settle their differences.

Our concurrence for the release of WSMC's surety or portions of their surety bond will not be given until the Drum Mine site is otherwise fully bonded. We appreciate the DOGM for apprising us of situations that may affect permitting and/or the reclamation of Federal land. Please contact me or Rody Cox at (801) 743-7405 if you have any additional concerns.

Sincerely,

Rex Rowley
Rex Rowley
Area Manager

cc: Mr. Allan R. Cerny, WSMC
Mr. E.B. King, JMC